



NEWS RELEASE

PRESS OFFICE

Release Date: December 16, 1998

Release Number: 98-109

Contact: D.J. Caulfield (202) 205-6740

SBA News Releases: www.sba.gov/news/

VICE PRESIDENT GORE ANNOUNCES NEW PUBLIC/PRIVATE PARTNERSHIP TO ENCOURAGE ENTREPRENEURIAL GROWTH AND ECONOMIC DEVELOPMENT IN OUR INNER CITIES

Washington, D.C. – Vice President Gore announced today a new partnership between the federal government and America's business community to encourage large businesses to work with small business owners and entrepreneurs, especially in America's cities and in economically distressed areas.

The Vice President made the announcement at a meeting with Treasury Secretary Robert Rubin, Small Business Administration (SBA) Administrator Aida Alvarez, and CEOs from leading American corporations and small businesses. The partnership known as BusinessLINC, which stands for Learning, Information, Networking, and Collaboration, provides opportunities for the federal government to encourage new partnerships in the business community.

"Our economy today is now stronger than it has been in a generation," Vice President Gore said. "As a result, businesses all across our nation are being presented with new opportunities to invest in some of the fastest growing markets in our country."

"BusinessLINC calls upon America's large businesses to forge new partnerships with-- and to make a wise investment in -- our small businesses and entrepreneurs so that both our large and small businesses will become more competitive in the new economy," he added.

To support the BusinessLINC initiative, the Vice President announced a series of new federal initiatives:

- **HUBZone Empowerment Contracting Program**

The Vice President announced the implementation of the new HUBZone Empowerment Contracting program. Under this program, up to \$6 billion in new federal contracts will be targeted to small businesses and distressed areas by the year 2000. In addition, it will widen the pool of potential Government contractors and create an estimated 25,000 new jobs in over 7,000 distressed communities.

-more-

98-109/ Page Two

- **Department of Treasury and SBA Mentoring Programs**

The Vice President announced that both the Treasury Department and the SBA will create mentorprotégé programs. The Treasury Department program -- Success Partnerships -- will help increase the participation of small, disadvantaged and women-owned businesses as contractors and subcontractors by offering technical advice, financial and management skills, endorsement credibility, and one-on-one advice from large companies. The SBA counterpart will seek to enhance the capabilities of participants in the agency's 8(a) business development program, and to improve their ability to compete and receive federal government contracts. In addition, SBA will expand ACENET (Angel Capital Electronic Network) that helps link minority and women-owned businesses with investment capital (corporate sponsors of these businesses are known as "Angels").

"In today's economy, small businesses need technical advice and assistance, access to resources and personal contacts necessary to compete successfully," said Treasury Secretary Rubin. "Through BusinessLINC strategies, larger companies can contribute to their own success through supporting the economic growth of smaller businesses, particularly those in economically distressed areas."

Administrator Alvarez added, **"SBA has made a strategic commitment to opening doors of economic opportunity for all Americans. With partners like Bell Atlantic, and with the innovative programs like the new mentor-protege initiative and HUBZone Empowerment contracting, we will be able to open those doors wider than ever before."**

- **BusinessLINC Leadership Coalition**

The Vice President announced the formation of a BusinessLINC leadership coalition of experts, comprised of both public and private sector representatives. The coalition will work to expand business-to-business relationships between large and small businesses and will provide businesses with on-line information, resources, and a database of companies with an interest in mentor or protégé programs (www.businesslinc.sba.gov).

Attending the meeting with the Vice President at the White House were Treasury Secretary Robert Rubin, SBA Administrator Aida Alvarez, and CEOs from McDonald's, Bell Atlantic, BankBoston, Chase Manhattan Bank, GE Capital, Science Applications International, ITC Personnel Services, Trumark Metal Stamping, Lazo Technologies, and Delilah's.

Among the new private sector commitments:

- Bell Atlantic has committed \$1.8 billion, through a partnership with SBA, to increase purchasing and subcontracting with minority and women-owned businesses.
- GE Capital has committed to expand its Small Business Colleges, which offer business advice to entrepreneurs in distressed areas, and to open a fifth college in St. Louis as well as a new pilot program for women business owners in Washington, D.C.

-more-

98-109 / Page Three

- Science Applications International Corporation (SAIC) will execute joint marketing agreements with small businesses and support relationships with small businesses in the new HUBZone areas.
- Chase will create a new program that will connect its senior bank officers with women and minority small business owners, and a new partnership with the National Association of Black Management Consultants.

Today's meeting was the second in a series of White House Business and Entrepreneurial Roundtables that the Vice President has held on different aspects of the role that the private sector can play in cities and distressed communities.

At the first meeting, held on June 5, 1998, the Vice President announced several new private sector commitments to invest in low-income communities by such corporations as Pfizer, Rite Aid, Pathmark, and BankBoston. Also at this meeting, the Vice President directed Secretary Rubin and Administrator Alvarez to conduct a series of regional meetings on BusinessLINC and report back to him at the second Roundtable on ways to coordinate efforts to encourage large businesses to work with small businesses, especially in distressed areas.

As chair of the President's Community Empowerment Board, the Vice President oversees the Administration's Community Empowerment Agenda, which includes a series of initiatives to provide greater opportunity in, and expand the competitiveness of, our distressed urban and rural areas. An important part of the agenda has been to spur the private sector to play a greater role in these areas.

The U.S. Small Business Administration, established in 1953, provides financial, technical and management assistance to help Americans start, run, and grow their businesses. With a portfolio of business loans, loan guarantees and disaster loans worth more than \$45 billion, the SBA is the nation's largest single financial backer of small businesses. Last year, the SBA offered management and technical assistance to more than one million small business owners. The SBA also plays a major role in the government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses.

America's 23 million small businesses employ more than 50 percent of the private workforce, generate more than half of the nation's gross domestic product, and are the principal source of new jobs in the U.S. economy.

#